

Message Text

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ORIGIN EB-11

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 RSC-01 MC-02

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DRAFTED BY EB/ITP/EWT:JRTARTTER:BH

APPROVED BY EB/ITP/EWT:RBWRIGHT

COM/OEA - MR. COLLINS

IDA - MR. FINKLER

EUR/EE - MR. CHRISTENSEN

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R 112159Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST

C O N F I D E N T I A L STATE 123683

EXCON

E.O. 11652: GDS

TAGS: ESTC, ETRD, XH, HU, COCOM

SUBJECT: SAFEGUARDS APPLICABLE TO IBM COMPUTER

REF: BUDAPEST 1432

1. APPRECIATE REPORT OF POTENTIAL DIFFICULTIES IN IMPLEMENTING PICK UP OF MATERIAL AT CSO. POSITION TAKEN BY AMBASSADOR IS CORRECT, I.E. TAPES MUST BE UNDER IBM CONTROL UNTIL DELIVERY TO USG.
2. DEPT IS CONSCIOUS OF PROBLEMS RAISED BY EMBASSY IF THIS PROCEDURE WERE TO BECOME A PRECEDENT FOR FUTURE LARGE COMPUTERS. FOR REASONS SET OUT BELOW, HOWEVER, WE VIEW THIS CASE AS UNIQUE AND HAVE MADE IT PLAIN TO IBM THAT IT SHOULD NOT BE REGARDED AS PRECEDENT-FORMING.
3. USG IS PRESENTLY READYING A NEW PROPOSAL TO COCOM WHICH WOULD LIBERALIZE CONTROLS ON COMPUTERS TO PERMIT MACHINES UP TO A PROCESSING DATA RATE (PDR) OF 32 TO BE
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LICENSED WITH LESS STRINGENT SAFEGUARDS THAN HERETOFORE.

RESIDENCY WOULD BE REPLACED BY MONTHLY VISITATION AND
TAPES WOULD NOT BE REQUIRED.

4. IBM 370/155 IS BODERLINE CASE, HAVING PDR OF 32.3.
WE VISUALIZE LIFTING OF RESIDENCY AND MONITORING REQUIRE-
MENTS ON THIS CASE IF GENERAL US APPROACH TO LEVEL OF

CONTROLS AND SAFEGUARDS FINDS ACCEPTANCE IN COCOM. THUS
WE EXPECT DIRECT EMBASSY ROLE NEED BE ONLY TEMPORARY.
SECOND FACTOR IS THAT 370/155S ARE NO LONGER BEING
MANUFACTURED HAVING BEEN REPLACED BY 370/158 WHICH HAS
PDR OF 44. CSO COMPUTER IS ONLY 370/155 IBM INTENDS TO
MARKET IN EASTERN EUROPE. IT WAS IN LIGHT OF THESE
SPECIAL CIRCUMSTANCES AND TIMING OF CASE JUST BEFORE
COCOM LIST REVIEW THAT EMBASSY'S HELP WAS SOLICITED.

4. SINCE IBM AND OTHER COMPUTER COMPANIES WILL BE
SEEKING SALE OF MACHINES ABOVE PDR 32, GENERAL ISSUE
RAISED BY EMBASSY OF USG ROLE IS HIGHLY PERTINENT. OVER-
ALL COMPUTER SITUATION WILL BE SUBJECT OF SEPARATE MSG
IN NEAR FUTURE. BROWN

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